

Town of Purcellville

Proposed FY2007-08 Fiscal Plan

Robert W. Lohr, Jr., Town Manager

Proposed FY2007-08 Fiscal Plan

\$31,488,171

- Primary Mission – Development of an annual financial and strategic plan for service delivery
- This year, separated Operational Budget and CIP Budget
- Departments requested to search for savings, revenue enhancement, cost avoidance, and service quality improvement
- Overall, exercise in change management for a viable and vibrant community

"Don't be afraid to take a big step if one is indicated. You can't cross a chasm in two small jumps."

- David Lloyd George, British Prime Minister

FY07-08 Highlights

- Reduction in residential property assessments
- Average residential customer – 3.3% drop in tax assessment (Loudoun County)
- Business/commercial saw 19% increase in tax assessment (Loudoun County)
- 84-16 percent residential-commercial tax base split

FY07-08 Highlights

- Includes 4.5 new positions
- Creation of IT Department
- 3.3% COLA
- Separate Train Station budget
- Update to Planning and Zoning Ordinance
- 59 capital projects proposed in Five Year Plan
 - 47 proposed this year
- Major upgrades, renovations, equipment acquisitions

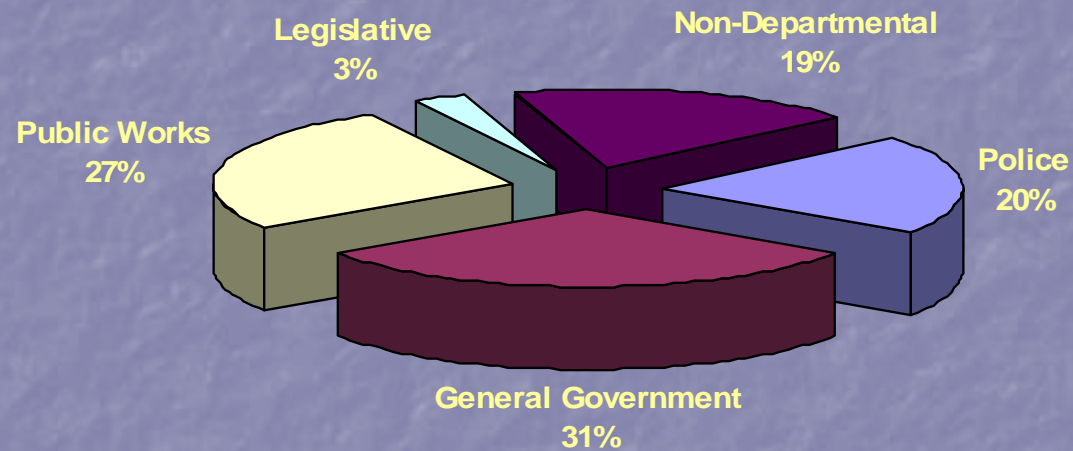
Proposed FY07-08 Fiscal Plan - Expenditures

Expenditures	2006-07 Adopted Fiscal Plan	2007-08 Proposed Fiscal Plan	Percent Change
GF - Operating	6,138,788	7,016,885	14%
GF – Capital Outlay	3,537,700	6,125,584	73%
Water - Operating	1,915,358	2,444,152	28%
Water – Capital	3,038,000	2,685,290	-12%
Sewer - Operating	1,967,328	2,402,260	22%
Sewer - Capital	3,321,500	10,814,000	226 %
TOTAL	\$19,918,674	\$31,488,171	58%

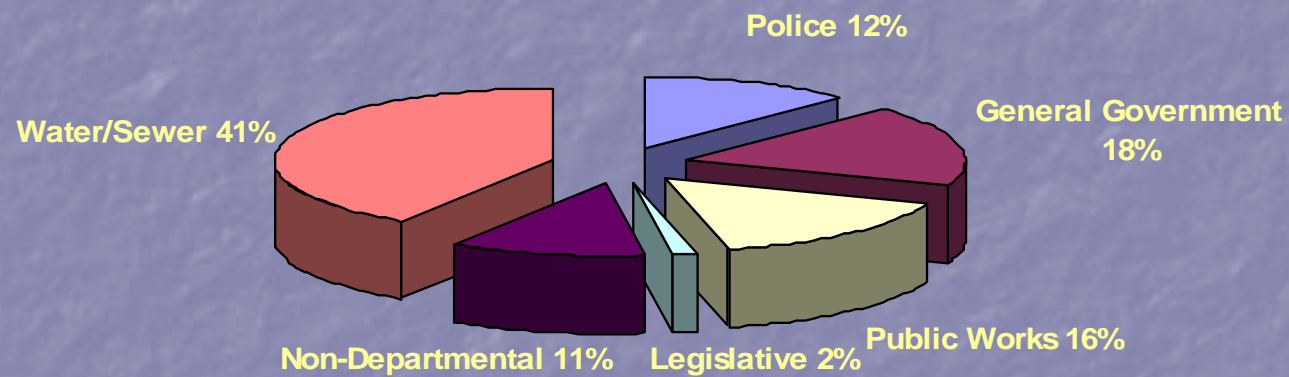
Proposed FY07-08 Fiscal Plan - Revenues

Revenues	2006-07 Adopted Fiscal Plan	2007-08 Proposed Fiscal Plan	Percent Change
General Fund	9,676,488	13,142,469	36%
Water Fund	4,953,358	5,129,442	3.6%
Sewer Fund	5,288,828	13,216,260	150%
TOTAL	\$19,918,674	\$31,488,171	58%

Expenditures by Category – General Fund Operations



Expenditures by Category – General and Water/Sewer Operating Funds



Summary of General Fund Revenues - \$7,016,885

Category	FY07-08 Recommended Revenue	Changes Over Prior Year
Real Estate Tax	2,361,270	358,016
Personal Property Tax	335,000	101,000
Sales Tax	620,000	180,000
Communication Tax	174,000	174,000
Utility Tax	192,000	(108,000)
Business Licenses	600,000	75,000
Auto Decals	135,000	5,000
Franchise Tax (Bank)	160,000	20,000
Cigarette Tax	242,000	(28,000)
Meals Tax	660,000	25,000
Zoning Fees	115,000	15,000
Police Revenue	74,000	(26,000)
Gas Tax Funding / LOCO	108,000	4,000
Law Enforcement /VA	126,000	0
PPTRA/VA	201,000	0
Street Revenue/VA	535,000	71,150
All Other Revenues	378,615	11,931
TOTAL	\$7,016,885	\$878,097

Revenues – Real Estate Taxes

- The Town, like the rest of Loudoun County, has undergone a revaluation of assessed real property
- FY07-08 operating budget follows the general assessment of real property for Purcellville
- Assessment produced a tax base of \$1,157,485,300 for Purcellville

Revenues, continued

- State-mandated revenue-neutral tax rate is 18 cents
- The recommended property tax rate for FY2007-08 is 20 cents
- Each penny on the tax rate produces approximately \$115,748

Revenues, continued

- Revenue-neutral tax rate means taxes paid may vary by taxpayer based on the fair market value assessed on property in the countywide reassessment
- Recommend Cigarette Tax increase \$.05/pack to \$.50/standard pack
- No other General Fund taxes or fees are recommended to be increased

Summary of Water Fund Revenues - \$2,444,152

Category	FY07-08 Recommended Revenue	Changes Over Prior Year
Water Availabilities	850,460	248,860
Water Fees	1,252,592	262,939
Investment Income	200,000	120,000
Cellular Lease	110,000	(1,000)
All Other Revenues	31,310	(102,005)
TOTAL	\$2,444,152	\$528,794

Summary of Sewer Fund Revenues - \$2,402,260

Category	FY07-08 Recommended Revenue	Changes Over Prior Year
Sewer Availabilities	617,630	105,630
Sewer Fees	1,480,070	142,342
Investment Income	290,000	210,000
Penalties & Interest	14,000	0
All Other Revenues	560	(23,040)
TOTAL	\$2,402,260	\$434,932

Proposed Revenues – Water and Sewer

- Increase Water User Fees by 10%
- Increase Waste Water User Fees by 5%
- Increase Water Availabilities Fees -
\$18,800 to \$26,168 for entry level
- Increase Waste Water \$16,000 to \$19,000
for entry level

Proposed New Expansions - \$360,330

- \$193,237 – 2.5 New Positions in General Fund: Police Officer, Sr Land Use Planner, PT Benefits Coordinator in Finance
- \$115,093 – 2 New Positions in Water/Sewer Fund: Operator/Maintenance Support Staff in Water (1) and Waste Water (1)
- \$5,000 – Youth Sports Funding Program

Proposed Expansions - \$360,330, continued

- \$12,000 – Urban Tree Canopy Program
- \$10,000 – Babe Ruth World Series
- \$15,000 – House Numbering and Street Name Stenciling Program
- \$10,000 – Customer Satisfaction Survey

Employee Compensation

- 3.3% COLA - \$117,762
- Maintenance of All Benefits Plans
- Implementation of Compensation Recommendations on 2-year phase schedule - \$98,049

Savings in Recommended Budget – Approximately \$917,810

Category	Savings
Delay of Merit Pay Funding Proposal for FY07-08	216,467
Compensation Adjustment phased over 2 years	98,049
Elimination of 7 Proposed Staffing Positions	408,477
Elimination of Pay Increases for Town Council, Planning Commission, BZA, BAR	9,817
Reduced Legal Expenses	35,000
Transferred New Zoning Ordinance Project to Short-Term Capital	70,000
Transferred New Copy Machine to Short-Term Capital	11,000
Reduced Environmental Audit and Comp	10,000
Reduced Computer Software	10,000
Reduced Police Computer Operations	7,000
Additional Reductions	42,000
Total	\$917,810
*Also, delayed Construction of Maintenance Building to 1/2008	

Continued Productivity Efforts – Alternatives or Projects Under Review

- Performance Management Project
- Fleet Maintenance Review and Policy Development
- Streamlining of Development Review Processes
- Staff Reorganization Process
- Capital Facilities Plan
- Capital Staffing Plan

Next Steps – Budget Calendar

- March 8 – Budget Work Session
- March 13 – Public Hearing on Real Estate Tax Rates & Fees, Budget and CIP
- March 15 – Budget Work Session
- March 27 – Budget Work Session
- March 29 – Budget Work Session
- April 10 – Proposed Date for Budget, CIP Adoption
- May 15 – Date to adopt remaining budget items, if necessary
- June 12 – Date to adopt remaining budget items, if necessary